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Item 7 of the agenda of the Budgetary
and Finance Committee

ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE COMMITTEE BY THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. Edelana M. CUAYO (Philippines)

CHAPTER III. Financial, budgetary and administrative matters

ANNEX

91/__. Revised budget estimates for the biennium 1990-1991

The Governing Council,

Having considered the revised budget estimates for 1990-1991 and budget estimates for 1992-1993 (DP/1991/49/(vol. I) and Corr.1 and DP/1991/49 (vol. II)).

1. Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1991/62);

2. Approves the revised budget estimates in respect of the Office for Project Services;

3. Approves the revised budget estimates in respect of the United Nations Volunteers programme;

4. Takes note of the Administrator's proposal to introduce a revised appropriation structure as reflected in the present decision;

5. Takes note of the proposal of the Administrator for the present biennium to rename the budget line "Programme support activities" to "Programme support and development activities" in order to delineate more clearly in future bienniums between administrative, programme support and programme costs in line with General Assembly resolution 45/235 of 21 December 1990;

6. Approves revised appropriations in the amount of $534,729,500 gross, to be allocated from the resources indicated below to finance the 1990-1991 biennial budget and resolves that the income estimates in the amount of $30,940,000 shall be used to offset the gross appropriations, resulting in net appropriations of $503,789,500, as indicated below:

UNDP 1990-1991 biennial budget for administrative services, programme support and development activities and trust funds

(Thousands of United States dollars)

	APPROVES:	TAKES NOTE OF:	
	Gross/net Appropriations	Estimated extra-budgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities a/			
Headquarters b/	152 705.4	14 472.2	167 177.6
Field offices	288 763.1	25 746.3	314 509.4
Gross UNDP core activities	441 468.5	40 218.5	481 687.0
Estimated income	30 940.0	0.0	30 940.0
Net UNDP core activities	410 528.5	40 218.5	450 747.0
B. Programme support and development activities			
Programme development activities	353.2	0.0	353.2
Project/programme implementation services			
DSS	5 000.0	0.0	5 000.0
OPS c/	26 482.8	21 641.0	48 123.8
IAPSO	4 796.6	2 035.5	6 832.1
UNV	27 723.8	0.0	27 723.8
National execution	2 461.4	0.0	2 461.4
Total project/programme implementation services	66 464.6	23 676.5	90 141.1
Total programme support and development activities	66 817.8	23 676.5	90 494.3
C. Total resources of UNDP			
Gross resources	508 286.3	63 895.0	572 181.3
Estimated income	30 940.0	0.0	30 940.0
Net resources	477 346.3	63 895.0	541 241.3
II. RESOURCES OF TRUST FUNDS			
UNCDF	9 839.9	0.0	9 839.9
UNRFNRE and UNFSTD	5 708.5	288.9	5 997.4
UNSO	6 701.4	2 401.0	9 102.4
UNIFEM	4 193.4	128.9	4 322.3
Total resources of trust funds	26 443.2	2 818.8	29 262.0
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	534 729.5	66 713.8	601 443.3
Estimated income	30 940.0	0.0	30 940.0
Net UNDP appropriations	503 789.5	66 713.8	570 503.3

a/ The Administrator is permitted to redeploy between the field office and headquarters appropriation lines up to a maximum of 5 per cent.

b/ Headquarters extrabudgetary income represents income from external sources, exclusive of reimbursements to UNDP core activities from non-core units. The reimbursements are already included in the appropriation estimates of the non-core units.

c/ The approved appropriation is funded from UNDP general resources.

91/__. Budget estimates for the biennium 1992-1993

The Governing Council,

Having considered the 1992-1993 biennial budget estimates of the UNDP and the funds administered by the United Nations Development Programme,

Takes note of the report of the Advisory Committee on Administrative and Budgetary Questions (DP/1991/62),

A. Presentation of the budget estimates

Recognizing the multifaceted nature of United Nations Development Programme activities and the inherent complexity of the presentation by the Administrator of the biennial budget,

Stressing the need to maintain an appropriate level of detail in the budget estimates,

1. Requests the Administrator to present a more streamlined budget document and, in this connection, invites him to consult with the Advisory Committee on Administrative and Budgetary Questions as appropriate;

2. Requests the Administrator to include in future budget presentations a succinct overall summary of his proposals;

3. Decides that the Administrator shall present his budget estimates in one volume and that at the same time the background information currently contained in volume II of the budget document shall be provided to the Governing Council;

4. Requests the Administrator to include in the information provided on budget estimates an overview of the project-funded posts at headquarters;

5. Further requests the Administrator to limit the narrative relating to the tables currently in volume II of the budget document to concise explanations of the volume changes reflected in the tables;

B. 1992-1993 core budget estimates

6. Congratulates the Administrator for applying a restrictive budget policy and welcomes his proposal to implement volume reductions in the headquarters core budget;

7. Takes note with concern that, despite the proposed volume reductions, the share of United Nations Development Programme overall resources to be allocated to the operational budget is projected to increase from 15.5 per cent to 16.1 per cent.

8. Stresses that resources should be used primarily for programme activities and that administrative expenditures should be kept to the minimum necessary;

9. Requests the Administrator to take appropriate steps to reduce and, if possible, reverse the growth of administrative expenditures, bearing in mind the need to maintain them at as low a possible percentage of overall resources over the whole cycle while maintaining programme quality and to report thereon to the Governing Council at its thirty-ninth session (1992) in the context of the revised budget estimates for 1992-1993;

10. Requests the Administrator to review the staffing requirements of the field offices, taking into account, to the extent possible, the need for an appropriate balance between administrative and programme costs;

11. Requests the Administrator to consider further redeployment of posts from headquarters to the field in order to respond to emerging development needs;

12. Recommends that the distribution of resources among field offices be reassessed as necessary to reflect the distribution of programme resources approved in decision 90/34 of 23 June 1990;

13. Approves the opening of the three new field offices in Europe on a temporary basis;

14. Decides to take a final decision on this issue as soon as possible, but not later than at its fortieth session (1993) in the light of a review justifying the profile, staffing and size of the field offices in Europe, of the progress in the mobilization of extrabudgetary resources and of the government local office cost contributions, with a view to minimizing the costs incurred by the core budget in relation to those offices in connection with paragraph 8, and also taking into account the complementary role of the United Nations Development Programme;

15. Stresses, in line with decision 90/45, paragraphs 11 and 12, that reclassifications should be implemented, bearing in mind the principle of a corresponding offset to ensure that no financial implications arise;

16. Reiterates that all reclassifications of Professional posts are subject to the approval of the Governing Council after submission to the Advisory Committee on Administrative and Budgetary Questions;

17. Approves the proposed reclassifications within the framework of the recommendations of the Administrator for volume reductions at headquarters;

18. Urges the Administrator to keep the number of upward reclassifications to a minimum, particularly at the more senior levels;

19. Approves the Administrator's proposals relating to the streamlining of administrative support functions between the United Nations Development Programme European Office at Geneva, the United Nations Volunteers programme and the United Nations Office at Geneva;

20. Recognizes the importance of the substantive role of the United Nations Development Programme European Office at Geneva and requests the Administrator to review the organizational structure of and the functions performed by the Office in the context of the 1994-1995 budget estimates;

21. Takes note of the intention of the Administrator to present an evaluation of the experience with the field economists in Africa and to make this evaluation available to the Governing Council;

22. Emphasizes the importance of evaluation as a means to improve the quality of the operations of the UNDP and requests the Administrator to reassess, in the context of his proposed workload study, the technical capacity of the Central Evaluation Office with a view to strengthening the Office within the proposed budget total;

C. Programme support and development activities

23. Welcomes as a first step the proposal of the Administrator to delineate more clearly between administrative, programme support and programme costs in line with General Assembly resolution 45/235 of 21 December 1990 and, in this connection, stresses the importance of an equally clear and transparent delineation between programme expenditures on the one hand, and programme support and development activities, including the new programme development appropriation line and core budget expenditures, on the other;

24. Emphasizes that the revised appropriation structure should not result in an arbitrary transfer of core budget expenses to the programme support and development activities line and/or programme budgets;

25. Requests the Administrator to develop more specific criteria for the allocation of posts to the programme support and development activities line, in particular the sub-line on programme development activities, and to report thereon to the Governing Council in the context of the 1994-1995 budget estimates for the 1994-1995 biennium, and further requests the Administrator to include a detailed review of the justification for charging the economist programme to the programme support and development activities line;

26. Does not approve the classification of one additional post at the D-2 level in the Programme Development Division until further review has taken place in the context of overall consideration of the senior management structure;

27. Approves, on a temporary basis, the following posts and associated overhead costs to be financed from the core budget: the establishment of the

Senior Advisor post at the D-2 level, pending the completion of the senior management review, and the establishment of the Deputy Chief of the Training Section post at the P-5 level; and, bearing in mind the nature of the functions, takes note of the intention of the Administrator to finance, from the Special Programme Resources, on a temporary basis, the posts and associated overhead costs for a specialist for emergency response at the P-5 level and for a specialist for displaced persons at the P-4 level;

D. Office for Project Services

28. Takes note of the continued growth of the Office for Project Services and requests the Administrator in his report on the Office to the Governing Council at its thirty-ninth session to elaborate the criteria used by the Office for project acceptance;

29. Requests the Administrator to review the current appropriation mechanism for the Office for Project Services and to present proposals to the Governing Council at its thirty-ninth session to enhance the authority of the Council in determining administrative costs, bearing in mind the proposal of the Administrator on successor arrangements for the Office;

30. Approves, on a temporary basis, the classification of the Director of the Office for Project Services at the ASG level and that of the Deputy Director at the D-2 level.

E. Trust funds

31. Requests the Administrator to include in future budget presentations resource projections for each of the trust funds;

32. Approves the Administrator's staffing proposals relating to the United Nations Development Fund for Women;

33. Takes note of the proposals of the Administrator, contained in document DP/1991/49 (vols. I and II), relating to the technical support budgets of the United Nations Capital Development Fund, the United Nations Revolving Fund for Natural Resources Exploration and the United Nations Development Fund for Women and requests the Administrator to include complete reports thereon in future budget estimates;

34. Requests the Administrator to report to the Governing Council at its thirty-ninth session (1992) on the implementation of paragraph 22 of decision 90/45;

35. Approves the Administrator's proposed reclassifications relating to the United Nations Sundano-Sahelian Office (UNSO) and the United Nations Capital Development Fund on the understanding that they will be offset by reductions with the result that there will be no financial implications for the budgets of the Office and the Fund for the biennium 1992-1993;

F. Other items

36. Takes note of the statement made by the Administrator in his introduction of the annual report for 1990 in which he expressed the assurance that the implementation of the snior management structure would have no budgetary implications, and requests the Administrator in this context to aim at attaining further budgetary saving when finalizing the senior management structure proposal for adoption by the Governing Council;

37. Requests the Administrator to review the cost elements charged to the United Nations Development Programme budget not related to the delivery of the indicative planning figure programme as well as costs incurred on behalf of the United Nations Development Programme by others; and also requests the Administrator to provide an analysis of appropriate sources of funding for these elements;

38. Requests the Administrator to make proposals relating to the identification of these cost elements in the United Nations Development Programme budget presentation, and to report thereon in the context of the 1994-1995 budget estimates;

39. Requests the Administrator to present a substantive report on the experiences and utilization of the development support services to the Governing Council at its fortieth session (1993);

40. Decides to continue to finance the development support services out of the administrative budget;

41. Requests the Administrator to consider streamlining the administrative functions of the United Nations Volunteers programme, in particular through further decentralization of routine decision-making authority to the field, with a view to achieving an overall reduction of administrative staff, particularly support staff, at United Nations Volunteers headquarters;

42. Takes note of the report of the Administrator on the extrabudgetary policy of teh United Nations Development Programme in field offices;

43. Approves revised appropriations in the amount of $611,394,000 gross, to be allocated from the resources indicated below to finance the 1992-1993 biennial budget and resolves that the income estimates in an amount of $32,000,000 shall be used to offset the gross appropriations, resulting in net appropriations of $579,394,000 as indicated below:

UNDP 1992-1993 biennial budget for administrative services, programme support and development activities and trust funds

(Thousands of United States dollars)

	APPROVES:	TAKES NOTE OF:	
	Gross/net appropriations	Estimated extra-budgetary income	Total gross/net estimates
I. RESOURCES OF UNDP			
A. UNDP core activities a/			
Headquarters b/	148 443.1	15 400.0	163 843.1
Field offices	333 781.0	26 548.8	360 329.8
Gross UNDP core activities	482 224.1	41 948.8	524 172.9
Estimated income	32 000.0	0.0	32 000.0
Net UNDP core activities	450 224.1	41 948.8	492 172.9
B. Programme support and development activities			
Programme development activities	20 638.2	0.0	20 638.2
Project/programme implementation services			
DSS	5 788.7	0.0	5 788.7
OPS c/	30 737.7	25 501.8	56 239.5
IAPSO	5 946.5	2 552.1	8 498.6
UNV	32 196.1	0.0	32 196.1
National execution	2 715.7	0.0	2 715.7
Total project/programme implementation services	77 384.7	28 053.9	105 438.6
Programme support d/	2 300.0	0.0	2 300.0
Total programme support and development activities	100 322.9	28 053.9	128 376.8
C. Total resources of UNDP			
Gross resources	582 547.0	70 002.7	652 549.7
Estimated income	32 000.0	0.0	32 000.0
Net resources	550 547.0	70 002.7	620 549.7
II. RESOURCES OF TRUST FUNDS			
UNCDF	10 740.0	0.0	10 740.0
UNRFNRE and UNFSTD	4 551.7	171.2	4 722.9
UNSO	8 146.8	2 544.9	10 691.7
UNIFEM	5 408.5	309.2	5 717.7
Total resources of trust funds	28 847.0	3 025.3	31 872.3
III. TOTAL UNDP APPROPRIATIONS			
Gross appropriations	611 394.0	73 028.0	684 422.0
Estimated income	32 000.0	0.0	32 000.0
Net UNDP appropriations	579 394.0	73 028.0	652 422.0

a/ The Administrator is permitted to redeploy between the field office and headquarters appropriation lines up to a maximum of 5 per cent.

b/ Headquarters extrabudgetary income represents income from external sources, exclusive of reimbursements to UNDP-core from non-core units. The reimbursements are already included in the appropriation estimates of the non-core units.

c/ The approved appropriation is funded from UNDP General Resources.

d/ Represents UNDP contribution to the Consultative Group on International Agricultural Research and the UNDP-UNSO/UNEP joint venture.